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10

11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **SOUTHERN DIVISION**

14 STEPHANIE SANDERS-
15 MILLARD,

16 Plaintiff,

17 v.

18 UNIQ CREDIT SOLUTIONS, INC.,

19 Defendant.

20 Case No. 8:23-cv-01978

21 **COMPLAINT FOR DAMAGES**

1. **VIOLATION OF THE CREDIT
REPAIR ORGANIZATIONS
ACT, 15 U.S.C. § 1679 ET SEQ.**
2. **VIOLATION OF THE
CALIFORNIA CREDIT
SERVICES ORGANIZATIONS
ACT, CAL. CIV. CODE §
1789.10 ET SEQ.**
3. **VIOLATION OF THE
CALIFORNIA FAIR DEBT
SETTLEMENT PRACTICES
ACT, CAL. CIV. CODE §
1788.300 ET SEQ.**

22
23 JURY TRIAL DEMANDED

24

25 **COMPLAINT**

26 **NOW COMES STEPHANIE SANDERS-MILLARD ("Plaintiff"), by and**

1 through the undersigned attorney, complaining as to the conduct of UNIQ CREDIT
2 SOLUTIONS, INC. (“Defendant”) as follows:

3

4 **NATURE OF THE ACTION**

5 1. Plaintiff brings this action seeking redress for violations of the Credit
6 Repair Organizations Act (“CROA”), pursuant to 15 U.S.C. § 1679 *et seq.*, the
7 California Credit Services Organizations Act (“CCSOA”), pursuant to Cal. Civ. Code
8 § 1789.10 *et seq.*, and the California Fair Debt Settlement Practices Act
9 (“CFDSPA”), pursuant to Cal. Civ. Code § 1788.300 *et seq.*, stemming from
10 Defendant’s unlawful conduct.

11

12 **JURISDICTION AND VENUE**

13 2. Subject matter jurisdiction is conferred upon this Court by the CROA,
14 and 28 U.S.C. §§ 1331 and 1337, as the action arises under the laws of the United
15 States.

16 3. This Court has supplemental jurisdiction over Plaintiff’s state law claim
17 pursuant to 28 U.S.C. § 1337(a).

18 4. Venue is proper in this Court pursuant to 28 U.S.C. § 1331 as Plaintiff
19 resides in the Central District of California and all of the events or omissions giving
20 rise to the claims occurred in the Central District of California.

21

22 **PARTIES**

23 5. Plaintiff is a consumer and a natural person, over 18-years-of-age, who
24 at all times relevant, resides in the Central District of California.

6. Defendant is a credit repair organization that claims in its contract to “remove all negative and derogatory remarks on your credit report.” Defendant is a Delaware Limited-Liability Company that maintains its principal place of business at 8 The Green, Suite F, Dover, DE 19901.

7. Defendant acted through its agents, employees, officers, members, directors, heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives and insurers at all times relevant to the instant action.

FACTS SUPPORTING CAUSE OF ACTION

8. In February 2023, Plaintiff had a number of debts which were impacting her credit, prompting her to begin looking for companies who may be able to assist in improving her overall credit score and resolving her obligations.

9. After diligent research, Plaintiff happened upon Defendant due to its representations that it could help consumers settle their debts and improve their creditworthiness.

10. As such, Plaintiff spoke with Defendant who assured Plaintiff that it would be able to negotiate with her creditors, remove negative information from her credit profile with each of the major credit reporting agencies and revive her credit score.

11. Specifically, Defendant promised that its attorneys would work with all of her enlisted creditors to negotiate and ultimately settle all of her debts. Plaintiff detrimentally relied on Defendant's promises.

1 12. On February 17, 2023, Plaintiff entered into an agreement in connection
2 with Defendant's credit repair services. The agreement stated that Plaintiff would be
3 responsible for paying an upfront payment of \$429.00.
4

5 13. On March 17, 2023, Plaintiff paid another \$429.00 that was taken
6 directly out of her bank account.
7

8 14. Sometime in late March 2023, Plaintiff contacted one of her creditors
9 and discovered that Defendant had yet to reach out to any of her creditors to begin to
10 negotiate a settlement on her behalf.
11

12 15. Soon thereafter, Plaintiff attempted to call Defendant to ask if Defendant
13 was engaged in settlement negotiations with her creditors but was unable to
14 communicate with Defendant.
15

16 16. Plaintiff attempted to call Defendant multiple times to inquire if
17 Defendant was monitoring her case and engaging with her creditors, yet Defendant
18 never answered or returned any of Plaintiff's calls.
19

20 17. Relying upon Defendant's representations regarding the nature and
21 efficacy of its services, Plaintiff trusted that Defendant would contact Plaintiff's
22 creditors and would be actively negotiating settlements to try and remove negative
23 accounts from her credit report.
24

25 18. Eventually, after making monthly payments to Defendant, Plaintiff
26 became extremely frustrated and distressed that she was unable to contact Defendant
27 and canceled her bank card because her bank account was directly depositing
28

monthly payments to Defendant.

19. Defendant's failure to sufficiently get any of the inaccurate information removed from Plaintiff's credit reports or even engage with Plaintiff's creditors underscores the generally deceptive manner in which Defendant held out the efficacy of its services to Plaintiff.

20. As such, Defendant misrepresented the nature of its services by failing to negotiate settlements with Plaintiff's creditors and for avoiding all communications with Plaintiff regarding its services.

21. Even more, Defendant explicitly guaranteed results that Plaintiff's negative trade lines would be removed from her credit reports, yet failed to do so.

22. Ultimately, due to the fact that no positive changes occurred to Plaintiff's credit files, Plaintiff forcefully terminated her services with Defendant by canceling her bank card to avoid Defendant from further taking direct payments.

COUNT I - VIOLATIONS OF THE CREDIT REPAIR ORGANIZATIONS ACT

23. Plaintiff repeat and reallege paragraphs 1 through 22 as though fully set forth herein.

24. Plaintiff is a “consumer” as defined by 15 U.S.C. § 1679a(1) of the CROA.

25. Defendant is a “credit repair organization” as defined by § 1679a(3) of the CROA, as it is a person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform any service, in return for the payment of money,

1 or other valuable consideration, for the express or implied purpose of improving a
2 consumer's credit, credit history, or credit rating, or providing assistance to any
3 consumer with regard to any activity or service for the purpose of improving a
4 consumer's credit.

5 **a. Violations of CROA § 1679b(a)**

6 26. The CROA, pursuant to 15 U.S.C. § 1679b(a)(3) prohibits any person
7 from “mak[ing] or us[ing] any untrue or misleading representation of the services of
8 the credit repair organization.” Additionally, pursuant to 15 U.S.C. § 1679b(a)(4),
9 any person is prohibited from “engag[ing], directly or indirectly, in any act, practice,
10 or course of business that constitutes or results in the commission of, or an attempt
11 to commit, a fraud or deception on any person in connection with the offer or sale of
12 the services of the credit repair organization.”

13 27. Defendant violated the above referenced provisions of the CROA
14 through its misrepresentations and deception as to the nature of the credit repair
15 services it could provide Plaintiff. In order to get Plaintiff to agree to utilize
16 Defendant’s services, Defendant touted the efficacy of its credit repair services and
17 that Plaintiff could expect an improved credit score as long as he made payments for
18 its services. Plaintiff made her such payments; however, Defendant failed to improve
19 Plaintiff’s credit.

20 28. Defendant further violated the CROA through its deceptive and
21 misleading conduct by failing to engage with any of Plaintiff’s creditors. Until
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1 Plaintiff discovered that Defendant was not negotiating a settlement with Plaintiff's
2 creditors, Defendant had failed to even contact any of her listed creditors.
3

4 29. Upon information and belief, Defendant charges consumers for services
5 before fully and completely performing those services in the manner they were
6 represented, yet nevertheless attempts to disclaim such conduct in its contract by
7 saying that it does not charge consumers before fully completing its services. This
8 conduct is part of deceptive scheme where Defendant seeks to insulate itself from
9 liability under the CROA through contractual language that is inherently misleading
10 and contradictory to reality.
11

12 30. Moreover, when Plaintiff attempted to contact Defendant regarding its
13 services, Defendant completely ignored Plaintiff and never returned her calls and left
14 her without any information regarding the status of her case.
15

16 **b. Violation of CROA § 1679b(b)**
17

18 31. The CROA, pursuant to 15 U.S.C. § 1679b(b), states that “[n]o credit
19 repair organization may charge or receive any money or other valuable consideration
20 for the performance of any service which the credit repair organization has agreed to
21 perform for any consumer before such service is fully performed.”
22

23 32. Defendant violated § 1679b(b) as it charged and received money from
24 Plaintiff in exchange for the performance of its services before such services were
25 fully performed. Defendant has maintained Plaintiff's payments despite failing to
26 fully perform the services justifying Defendant's retention of such fees.
27
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c. Violation of CROA § 1679c

33. The CROA, pursuant to 15 U.S.C. § 1679c, outlines various disclosures that CROs must provide to consumers prior to entering into contracts with consumers.

34. Defendant violated § 1679c through its complete failure to provide Plaintiff a copy of the required disclosures.

d. Violation of CROA §§ 1679d(4) & 1679e

35. The CROA, pursuant to 15 U.S.C. § 1679d(4), requires credit repair organization to include, in the contract between them and a consumer, “a conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer’s signature on the contract, which reads as follows: ‘You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.’” 15 U.S.C. § 1679e further outlines the extent of a consumer’s cancellation rights under CROA while requiring such disclosure to be given to consumers in writing.

36. Defendant violated 15 U.S.C. §§ 1679d(4) & 1679e through its complete failure to provide the above disclosure in immediate proximity to the space reserved for Plaintiff's signature on the contract, as well as its failure to provide the notice of cancellation to Plaintiff.

WHEREFORE Plaintiff STEPHANIE SANDERS-MILLARD, respectfully requests that this Honorable Court enter judgement in her favor as follows:

- a. Declaring that the practices complained of herein are unlawful and violate the aforementioned bodies of law;
- b. Awarding Plaintiff actual damages to be determined at trial, as provided under 15 U.S.C. § 1679g(a)(1);
- c. Awarding Plaintiff punitive damages, in an amount to be determined at trial, as provided under 15 U.S.C. § 1679g(a)(2)(A);
- d. Awarding Plaintiff costs and reasonable attorney fees as provided under 15 U.S.C. §1679g(a)(3); and
- e. Awarding any other relief as this Honorable Court deems just and appropriate.

COUNT II - VIOLATIONS OF THE CALIFORNIA CREDIT SERVICES ORGANIZATIONS ACT

37. Plaintiff restates and realleges paragraphs 1 through 36 as though fully set forth herein.

38. Plaintiff is a "buyer" as defined by Cal. Civ. Code § 1789.12(c).

39. Defendant is a “credit services organization” as defined by Cal. Civ. Code § 1789.12(a).

a. Violation of CCSOA § 1789.13

40. Pursuant to § 1789.13(b), a credit services organization cannot “fail to

1 perform the agreed services within six months following the date the buyer signs the
2 contract for those services.”
3

4 41. Defendant violated § 1789.13(b) when it failed to fully perform the
5 agreed upon services within 6 months of Plaintiff agreeing to utilize its services.
6 Defendant tricked Plaintiff into making payments and still failed to completely
7 perform the agreed upon services.
8

9 42. The CCSOA, pursuant to Cal. Civ. Code § 1789.13, provides a list of
10 prohibited conduct for credit services organizations.
11

12 43. Pursuant to § 1789.13(g), credit services organization cannot “[m]ake
13 or use untrue or misleading representations in the offer or sale of the services of a
14 credit services organization.” Similarly, pursuant to § 1789.13(h), a credit services
15 organization cannot “[e]ngage, directly or indirectly, in an act, practice, or course of
16 business that operates or would operate as a fraud or deception upon a person in
17 connection with the offer or sale of the services of a credit service organization.”
18

20 44. Defendant violated the above referenced statute by promising Plaintiff
21 that it would engage with her creditors to negotiate a settlement, yet Defendant failed
22 to contact her creditors and avoided all communication with Plaintiff.
23

24 45. As outlined above, Defendant violated the above referenced provisions
25 of the CCSOA in much the same way it violated 15 U.S.C. §§ 1679b(a)(3)-(4).
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WHEREFORE, Plaintiff STEPHANIE SANDERS-MILLARD, respectfully requests that this Honorable Court enter judgment in her favor as follows:

- a. Declaring that the practices complained of herein are unlawful and violate the aforementioned statutes and regulations;
- b. Awarding Plaintiff actual damages pursuant to Cal. Civ. Code § 1789.21(a);
- c. Awarding Plaintiff punitive damages pursuant to Cal. Civ. Code § 1789.21(a);
- d. Awarding Plaintiff's costs and reasonable attorney fees, pursuant to Cal. Civ. Code § 1789.21(a); and
- e. Awarding any other relief as this Honorable Court deems just and appropriate.

COUNT III – VIOLATIONS OF THE CALIFORNIA DEBT SETTLEMENT PRACTICES ACT

46. Plaintiff restate and realleges paragraphs 1 through 45 as though fully set forth herein.

47. Plaintiff is a “consumer” as defined by Cal. Civ. Code § 1788.301(d).

48. Defendant is a “debt settlement provider” as defined by Cal. Civ. Code § 1788.301(a).

a. Violation of CFDSPA § 1788.302

i. Violations of § 1788.302(a)

1 49. The CFDSPA, pursuant to Cal. Civ. Code § 1788.302(a), provides that
 2 “[a] debt settlement provider shall not engage in false, deceptive, or misleading acts
 3 or practices when providing debt settlement services.” Further, “without limiting the
 4 general applicability of the foregoing,” conduct violates § 1788.302(a) if it includes
 5 “[o]mitting any material information.” Cal Civ. Code § 1788.302(a)(3).
 6

7 50. Defendant violated § 1788.302(a) of the CFDSPA through its
 8 misrepresentations and deception as to the nature of the credit repair and debt
 9 management services it could provide Plaintiff. The parties agreed that Defendant
 10 would be able to negotiate and settle her debts with her creditors within 6 months of
 11 signing up for its services, yet Defendant was unable to complete its services and
 12 seemingly never negotiated with any of Plaintiff’s creditors to reach a resolution.
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14 51. Defendant further violated § 1788.302(a) & (a)(3) of the CFDSPA in
 15 much the same way it violated §§ 1679b(a)(3)-(4) of the CROA.
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17 **ii. Violations of § 1788.302(c)**
 18

19 52. The CFDSPA, pursuant to Cal. Civ. Code § 1788.302(c), provides that
 20 “[a] debt settlement provider . . . shall not engage in unfair, abusive, or deceptive acts
 21 or practices when providing debt settlement services”
 22

23 53. Defendant violated § 1788.302(c) through its unfair conduct directed
 24 towards Plaintiff, when it failed to fulfill its credit repair and debt management
 25 services as promised. Defendant failed to negotiate and settle any of the debt enrolled
 26 in its program within 6 months as it represented in its initial meeting with Plaintiff.
 27

1 Had it not been for Defendant's representations, Plaintiff would have not signed up
2 for Defendant's program.
3

4 54. As alleged above, Plaintiff was harmed by Defendant's actions and
5 inactions.
6

7 **WHEREFORE**, Plaintiff STEPHANIE SANDERS-MILLARD, respectfully
8 requests that this Honorable Court enter judgment in her favor as follows:
9

- 10 a. Declaring that the practices complained of herein are unlawful and
11 violate the aforementioned statutes and regulations;
- 12 b. Awarding Plaintiff actual damages pursuant to Cal. Civ. Code §
13 1788.305(b)(1)(B);
- 14 c. Awarding Plaintiff punitive damages pursuant to Cal. Civ. Code §
15 1788.305(b)(1)(A), of \$5,000.00 per violation of this title;
- 16 d. Awarding Plaintiff's costs and reasonable attorney fees, pursuant to Cal.
17 Civ. Code § 1788.305(b)(3); and,
- 18 e. Awarding any other relief this Honorable Court deems just and
19 appropriate.

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24 **Plaintiff demands trial by jury.**
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1 Date: October 20, 2023

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Respectfully submitted,

STEPHANIE SANDERS-MILLARD

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